

FINANCE ADVISORY COMMITTEE

AGENDA

April 7, 2022

Meeting – 1:00 P.M.

1. Minutes of the June 24, 2021 meeting.

2. New transactions as follows:

2022-01	Auditors of Public Accounts	\$ 125,000.00
2022-02	Department of Administrative Services	\$5,096,105.00
2022-03	Department of Criminal Justice	\$663,033.00
2022-04	Department of Emergency Services and Public Protection	\$650,000.00
2022-05	Department of Mental Health and Addiction Services	\$16,700,000.00
2022-06	Department of Transportation	\$ 9,213,739.00
2022-07	Department of Education	\$3,500,000.00
2022-08	Judicial Department	\$500,000.00

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE
June 24, 2021

NOTE: Due to the State's declaration of a public health emergency, out of an abundance of caution and in compliance with the State's social distancing measures and consistent with Executive Order 7B, the June Finance Advisory Committee meeting was conducted via teleconference. Executive Order 7B provides for procedures for public meetings in lieu of the provisions of chapter 14 of the general statutes for the duration of the declared public health emergency.

The executive order provides for public meetings to be held by conference call, video conference or other technology as long as:

1. the public has the ability to view or listen to each meeting or proceeding in real time, by telephone, video, or other technology;
2. any such meeting or proceeding is recorded or transcribed, and such recording or transcript shall be posted on the agency's website within seven (7) days of the meeting or proceeding, and made available within a reasonable time in the agency's office;
3. the required notice and agenda for each meeting or proceeding is posted on the agency's website and shall include information about how the meeting will be conducted and how the public can access it;
4. any materials relevant to matters on the agenda, including but not limited to materials related to specific applications, if applicable, shall be submitted to the agency a minimum of twenty four (24) hours prior and posted to the agency's website for public inspection prior to, during, and after the meeting, and any exhibits to be submitted by members of the public shall, to the extent feasible, also be submitted to the agency a minimum of twenty-four (24) hours prior to the meeting and posted to the agency's website for public inspection prior to, during, and after the meeting; and
5. all speakers taking part in any such meeting or proceeding shall clearly state their name and title, if applicable, before speaking on each occasion that they speak." (Ex. Order 7B, March 14, 2020).

The Lieutenant Governor and the Deputy Secretary of the Office of Policy and Management convened via Zoom. The viewing link was provided for the members of the public and CT-N live broadcasted the meeting. The remaining Finance Advisory Committee members and state agency representatives participated remotely by telephone and Zoom.

PRESENT: Lieutenant Governor Susan Bysiewicz
Deputy Comptroller Martha Carlson
Deputy Treasurer Darrell Hill
Senator Catherine Osten
Senator Craig Miner
Representative Toni Walker
Representative Catherine Abercrombie
Representative Jeff Currey
Representative Mike France
Representative Lucy Dathan (alternate – non-voting capacity)
Deputy Secretary Konstantinos Diamantis
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Bysiewicz called the meeting to order at 12:32 p.m.

The minutes of the May 6, 2021, meeting were adopted.

The following new transactions were considered by the committee:

2021-21 for the Office of the State Comptroller. Transfer of \$7,671,353 among various fringe benefit accounts to meet funding requirements through the remainder of the fiscal year.

Deputy Comptroller Martha Carlson explained the request is necessary because midterm budget adjustments were not adopted last year.

Senator Osten asked about costs for unfunded pension liability and the impact on open positions. Bob Gribbon, Director of Budget and Fiscal Analysis for the Office of the State Comptroller, provided information regarding the relationship between legacy pension costs and the process for recovering fringe benefit costs from various funds. Senator Osten and Deputy Comptroller Carlson further discussed continuing efforts to address the accounting method of recovering liability costs.

The item was unanimously approved.

2021-22 for the Department of Motor Vehicles. Transfer of \$5,000,000 from the Personal Services account to the Modernization Fund account to provide the resources needed to continue DMV's efforts to upgrade system capabilities and provide convenient options for Connecticut residents.

Senator Osten asked about the number of vacant positions and whether they are related to retirements. Commissioner Magubane responded that some vacancies are recent, but other positions have been open for a while. Senator Osten asked about the department's plans and timeline for filling vacancies. The Commissioner noted the intent to hire, and that the agency is actively working to prioritize hiring based on need. She committed to providing a hiring timeline to the Appropriations Committee.

Representative Dathan asked whether modernization costs could be covered from federal funds. Commissioner Magubane responded that some federal money will support modernization efforts, but the amount in this transfer is unrelated and will be used in accelerating updates to the newest modernization technology and work.

The item was unanimously approved.

2021-23 for the Department of Insurance. Transfer of \$141,000 from Fringe Benefits to Other Expenses to purchase IT equipment for continued telework and video conferencing.

Senator Osten asked whether fringe benefits costs could be disaggregated to show the portion associated with legacy pension costs. Ann Woznikaitis, Fiscal Administrative Supervisor, from the Insurance Department said she would follow up and provide that information.

The item was unanimously approved.

2021-24 for the Department of Mental Health and Addiction Services. Transfer of \$2,200,000 from Personal Services to the Workers' Compensation Claims and Professional Services accounts to meet end of year requirements.

Representative Abercrombie asked where the department stands with vacancies and what the largest areas of hiring need are currently. Commissioner Delphin-Rittmon responded that the agency is currently struggling to fill nurses, doctors, mental health assistants, and forensic treatment specialists. DMHAS CFO Stephen DiPietro added that mental health assistants are the largest vacancy area. Rep. Abercrombie asked which treatment location had the most vacancies. CFO DiPietro responded that the 24/7 facilities like Connecticut Valley Hospital, Whiting Forensic Hospital, and the Greater Bridgeport Community Mental Health Center had the largest number of vacancies.

Senator Osten asked about the number of current vacancies. Commissioner Delphin-Rittmon replied that DMHAS has 511 vacancies. Sen. Osten asked about the plans for filling those vacancies. The Commissioner responded that the DMHAS human resources staff are actively working to recruit for all of the open positions and that additional human resources staff are being sought to help support the agency's recruitment needs. Sen. Osten requested that DMHAS furnish information about the vacancies by job class and location as well as the plan for hiring.

The item was unanimously approved.

2021-25 for the Department of Social Services. Transfer of \$9,420,000 from the Medicaid, Old Age Assistance, Aid to the Blind, and Aid to the Disabled accounts to the Community Residential Services and Connecticut Children's Medical Center accounts to meet anticipated year-end funding requirements.

Representative Abercrombie asked whether this transfer keeps CCMC whole. Nick Venditto, Chief Financial Officer of the Department of Social Services, responded that CCMC has experienced financial difficulties related to the pandemic and that the \$7.5 million transfer amount is based on discussions with CCMC.

Senator Osten asked whether the State Supplement accounts received a COLA. Mr. Venditto responded that no COLA was provided in state fiscal year 2021. He clarified that the transfer from the State Supplement accounts was in the baseline budget and that, effective January 1, 2020, payment for community companion homes was transitioned to the Community Residential Services account. Since there were no midterm budget adjustments, there was no reallocation of funding to that account. Senator Osten asked whether the agency changed that payment structure without making a midterm adjustment. Mr. Venditto responded that payments are made through the Department of Developmental Services and that the reallocation to Community Residential Services was accounted for in the recently passed budget. Senator Osten commented that the Department could have asked for midterm adjustments and that these groups should have gotten COLAs. Paul Potamianos, Executive Budget Officer of the Office of Policy and Management, noted that this was recommended as a midterm adjustment but that no adjustments occurred due to the pandemic and that the funding change is in response to an IRS audit finding.

The Item was unanimously approved.

2021-26 for the Department of Education. Item was withdrawn and not discussed.

2021-27 for the Judicial Department. Transfer of \$1,149,202 from Personal Services to the Workers' Compensation account in order to meet end of year funding requirements.

Senator Osten asked about vacant positions and timing of hiring of new staff to address turnover. Elizabeth Graham, Executive Director of the Administrative Services Division at the Judicial Department,

responded the department has almost 3,500 positions filled. Senator Osten asked which job classes make up the vacancies. Ms. Graham responded that it is mostly the office clerk series, which provides direct support in the court rooms, court reporting monitors, as well as a large number of judicial marshals. Senator Osten asked if the department is actively seeking to fill those positions. Ms. Graham responded affirmatively, and noted that continuous recruitment for office clerks that has resulted in interviews taking place, with a hiring plan in place to bring on clerks over the next several months. She shared that the average filled level over the last ten years has been about 92%, and so Judicial is working toward increasing its filled count. Senator Osten requested that the department provide the number of positions open by job class and location and when the department anticipates all those positions will be filled. Ms. Graham committed to providing the requested information.

The item was unanimously approved.

2021-28 for the Department of Emergency Services and Public Protection. Fee approval pursuant to section 4-60u of the General Statutes to support extending electronic payment capability to a broader range of services provided by the agency.

Senator Osten asked if these fees were considered through the Finance, Revenue, and Bonding Committee for the upcoming budget and questioned why this transaction was being handled by the Finance Advisory Committee (FAC). Paul Potamianos, Executive Budget Officer for OPM, explained that 4-60u allows FAC approval of convenience fees for electronic government services and that such approvals have previously been considered by the FAC. The fee is not broadly applied so it wouldn't go through the Finance, Revenue, and Bonding Committee.

Senator Osten asked if the fee would be the same for credit and debit charges. Dane Silcox, Manager of Research & Planning, from DESPP stated that the fee would be the same for both forms of payment. Senator Osten asked what the anticipated revenue would be. Mr. Silcox responded that any fees collected would enable the agency to allow further online interactions, but other methods of payment will still exist. Paul Potamianos, Executive Budget Officer for the Office of Policy and Management, stated that it is contingent on how many people use the service and that the fee will help pay for the expansion of the electronic system. Senator Osten asked about application of the fee to debit card transactions. Mr. Silcox stated that the fee supports an organization called NIC, which has been providing services for DESPP since 2016 and was approved by the FAC at that time. The charge covers the cost of creating the electronic payment capability and payments collected electronically will be credited to the proper accounts. Senator Osten asked whether the contract was competitively bid, when it was last bid, and for a copy of the contract. Mr. Silcox stated that the agency is using the existing state contract. Paul Potamianos, Executive Budget Officer for the Office of Policy and Management, committed to providing information about the bid and contract to the committee members. (NOTE: On June 30, 2021, the following information was electronically mailed to members of the FAC, along with an attached copy of the contract):

Dear FAC members, alternates and interested parties: At the June 24, 2021, meeting of the Finance Advisory Committee, during discussion of item 2021-28 for the Dept. of Emergency Services and Public Protection regarding a fee approval pursuant to CGS 4-60u, a member asked questions about the contract for the vendor performing the eGovernment services. The questions and answers are summarized below.

1. *Please provide a copy of the contract.*
 - a. *The contract is publicly available on the DAS contracting portal and is attached here.*

2. *Was the contract competitively bid.*
 - a. *Yes, the contract was competitively bid via a Request For Proposals (RFP).*
3. *When was the last time the contract was competitively bid.*
 - a. *The contract that resulted from the competitively bid RFP was awarded on January 10, 2014, with a term through April 7, 2019. It was then extended through April 7, 2023, in accordance with the terms of the agreement.*
 - b. *The relevant contract language governing extension of the term of agreement is depicted below.*

I. TERM OF AGREEMENT

This Agreement shall become effective upon its approval as to form by the Office of the Attorney General of the State of Connecticut ("Effective Date"), as evidenced by its signature below, and shall commence as of the Commencement Date and continue for a period of three (3) years from the Commencement Date. DAS, in its sole discretion, may upon ninety (90) days written notice to Contractor, extend this Agreement for additional terms beyond the original term, prior to expiration or Termination, one or more times for a combined total period not to exceed the complete length of the original term. Notwithstanding the foregoing, if DAS elects to extend the Agreement, the extension term(s) shall be for a minimum of one (1) year.

This item was unanimously approved.

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,



Konstantinos Diamantis, Clerk

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER
APA11000		Auditors of Public Accounts					3

FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	11000	APA11000	10010	2022	\$125,000.00		Personal Services
2022	11000	APA11000	10020	2022		\$125,000.00	Other Expenses
TOTALS					\$125,000.00	\$125,000.00	

REASON FOR ADJUSTMENT

The Auditors of Public Accounts (APA) recently ordered 130 new laptops for all of its staff. APA has not purchased new computers since 2017. APA received funding from a prior year carryforward to cover the costs of the new laptops & related equipment, but the carryforward was not enough to cover the additional cost of software. We have been advised that we also need to purchase both MS Office 365 and Adobe Acrobat Software. The latest versions of these softwares need to be purchased in order to be compatible with our mission critical electronic workpaper software, CCH. There may be other software licenses & maintenance fees expenses incurred also. Therefore we respectfully request a transfer from Personal Services (PS) to Other Expenses (OE) in the amount of \$125,000 to cover the cost of the software. There is surplus in PS to allow for this transfer due to the significant number of FY 22 retirements in senior staff. Thank you for your consideration of this transfer.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
John Geragosian Clark Chapin	State Auditors	3/10/2022

BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)
	Section 4-87

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR
	Maria V. Cruz 3/10/2020	C. LeMay 3/10/22

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-01	Paul E. Potamianos	3/28/2022		

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

JOHN C. GERAGOSIAN

CLARK J. CHAPIN

Auditors of Public Accounts (APA) FAC Request

The Auditors of Public Accounts (APA) is requesting a \$125,000 transfer from Personal Services to Other Expenses to purchase computers and software.

Our office has not purchased new computers since 2017. We recently ordered 130 new laptops for our employees. Prior to 2017, we leased computers through Legislative Management. Our computers require additional capacity to accommodate large data sets and interact with auditing software. Based on our specialized needs, it made more sense to buy new computers. This allowed us to acquire necessary technology while avoiding interest payments and other costs.

Many of our computers have broken down or have required repairs or modifications. Using 5-year-old computers has hampered our productivity because of the outdated technology.

Our office received a \$150,000 carryforward in last year's budget to cover the costs of the new laptops and related equipment. However, the carryforward was not sufficient to cover over \$100,000 in software costs. We must purchase updated versions of Microsoft Office 365 & Adobe software to be compatible with our mission critical electronic auditing system.

Our entire Other Expenses budget is \$272,000. The laptop and software purchases will cost approximately \$260,000. Therefore, we do not have enough Other Expenses funding to purchase the laptops and software and pay our regular operating costs. The additional \$125,000 will ensure that we can make these critical purchases.

We have funds in our Personal Services account due to the loss of several of our staff through retirements, departures, and unexpected unpaid leave balances.

Thank you for your consideration.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
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 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DAS23000		Department of Administrative Services					DAS22013	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DAS23000	12625			\$2,522,189.00	Workers Comp Claims - DMHAS	
2022	11000	DAS23000	12235		\$1,897,189.00		Workers Comp Claims - GG	
2022	11000	DAS23000	12623		\$425,000.00		Workers Comp Claims - CSCU (BOR)	
2022	11000	DAS23000	12626		\$200,000.00		Workers Comp Claims - DESPP	
2022	11000	DAS23000	12628			\$2,573,916.00	Workers Comp Claims - DOC	
2022	11000	DAS23000	12624		\$1,250,000.00		Workers Comp Claims - DCF	
2022	11000	DAS23000	12627		\$1,323,916.00		Workers Comp Claims - DDS	
TOTALS					\$5,096,105.00	\$5,096,105.00		
REASON FOR ADJUSTMENT								
To reallocate funding to SID(s) w/projected deficit in FY2022 (WC)								
REQUESTING OFFICIAL (Signature)				TITLE		DATE SIGNED		
Jolita Lazauskas				CFO, DAS		3/17/2022		
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)				STATUTORY AUTHORITY (for adjustments in appropriations)				

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		C. LeMay 3/24/22		Daskal 03/25/2022	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-02	Paul E. Potamianos	3/28/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

MEMORANDUM

To: Jeffrey Beckham, Acting-Secretary of the Office of Policy & Management

From: Michelle Gilman, Commissioner of Administrative Services

Date: March 17, 2022

Re: Finance Advisory Committee: transfer of funds

The Department of Administrative Services (DAS) is requesting a transfer of \$5,096,104.49 from the Workers' Compensation (WC) SID accounts of the Board of Regents (BOR), the Department of Children and Families (DCF), the Department of Developmental Services (DDS), the Department of Emergency Services and Public Protection (DESPP), and General Government (GG) that are projecting surpluses. DAS requires these funds to cover a \$5,096,104.49 projected shortfall in the Department of Corrections (DOC) and the Department of Mental Health and Addiction Services (DMHAS) accounts. The WC claims account is provided funding through a central account to pay Workers' Compensation claims for all state agencies, except Judicial.

The Workers' Compensation claims shortfall in DOC and DMHAS are based on projected and estimated claim expenditures. This year's higher costs are the result of several factors involving work-related injuries that include: rising medical claim costs from orthopedic surgery, doctor visits, physical therapy, hospital outpatient care, covid care, and increased costs associated with indemnity benefits such as wage replacement benefits.

If approved by the Finance Advisory Committee, DAS can cover the Workers' Compensation claims shortfall by transferring \$5,096,104.49 from surplus WC SID accounts that are projecting a surplus within the central account. The surplus funding from BOR, DCF, DDS, DESPP and GG workers' compensation accounts are projected to be available as a result of a decrease in claim counts and expenditures stemming from injuries involving the following claim types: motor vehicle accidents, exertion, assault/restraints, and claims categorized as struck by or against, slip trip and falls. A decrease in overall claim counts has subsequently reduced indemnity and medical expenditures resulting in a surplus for these agencies.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DCJ30000		Division of Criminal Justice					2022-5	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DCJ30000	10020			\$281,222.00	Other Expenses	
2022	11000	DCJ30000	12069			\$54,177.00	Witness Protection	
2022	11000	DCJ30000	12537			\$86,976.00	Cold Case	
2022	11000	DCJ30000	12538			\$240,658.00	Shooting Task Force	
2022	11000	DCJ30000	10010		\$663,033.00		Personal Services	
TOTALS					\$663,033.00	\$663,033.00		
REASON FOR ADJUSTMENT								
See addendum								
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED	
John Russotto				Deputy Chief State's Attorney			3/16/2022	
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)			

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		JMJaramillo - 3/23/2022		Daskal 03/25/2022	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-03	Paul E. Potamianos	3/28/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Division of Criminal Justice FAC Transfer Request 2022-5 (addendum to B-107)

I. General Fund

The SID Accounts expected to lapse appropriation levels and reasons for same are:

10010 (Personal Services)

Expected savings in Personal Services, SID 10010 - Retirements, transfers, turnover, delays in filling positions, especially prosecutor positions which require action by the Criminal Justice Commission. Also, delays due to back-filling vacant positions due to senior level vacant positions being filled with junior level employees and then backfilling those vacancies. Staffing of the newly established Office of the Inspector General is also still in process.

The SID Accounts expected to exceed appropriation levels and reasons for same are:

10020 (Other Expenditures)

Other Expenditures was higher than expected during Q3 due to an annual software license expense that was previously rolled in with project expenses. Due to substantial go-live status of this project it was necessary to pay for this license out of operating expense. In addition, while the hiring of the OIG is ongoing, office set up expenses were incurred. This included modular office space, repair and clean-up of facility chosen for the temporary office space such as driveway repair, painting, carpet cleaning.

12069 (Witness Protection)

Expert Witness Program funding needs vary from year to year based on the number of arrests and types of cases during the year. Utilization of this program during FY22 has been higher than expected.

12537 (Cold Case Unit)

The unit has experienced some turnover in recent years, and at the end of Fiscal Year 2020 DCJ has filled these vacancies with more senior employees, with higher salaries, causing expenses to exceed appropriations in FY 2021. These adjustments were not made for the current budget (FY22 – FY23) resulting in a need for funding from PS again this year.

12538 (Shooting Task Force Unit)

The unit has experienced some turnover in recent years, and at the end of Fiscal Year 2020 DCJ filled these vacancies with more senior employees, with higher salaries, causing expenses to exceed appropriations in FY 2021. The required adjustments were not made for the current budget (FY22 – FY23) resulting in a need for funding from PS again this year.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DPS32000		Department of Emergency Services and Public Protection					2022.025	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>		
2022	11000	DPS32000	10010		\$650,000.00		Personal Services	
2022	11000	DPS32000	10020			\$650,000.00	Other Expenses	
TOTALS					\$650,000.00	\$650,000.00		
REASON FOR ADJUSTMENT								
Transfer of funds for Personal Services Account to the Other Expenses Account. This transfer is necessary as funds for consultants were allotted to the Personal Services SID; consultants are paid through the Other Expenses SID. Special Act Number: 21-15								
REQUESTING OFFICIAL (Signature)				TITLE		DATE SIGNED		
RoseMarie Peshka				CAFS 2		7/12/2021		
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)				STATUTORY AUTHORITY (for adjustments in appropriations)				

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		M. LaFayette 08/11/21		CL for PJM 8/19/21	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-04	Paul E. Potamianos	3/28/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER
MHA53000		Mental Health and Addiction Services					MHA22013
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	11000	MHA53000	10010	2022	\$12,500,000.00		Personal Services
2022	11000	MHA53000	12444	2022	\$2,500,000.00		Home and Community Based Services
2022	11000	MHA53000	12220	2022	\$1,700,000.00		General Assistance Managed Care
2022	11000	MHA53000	10020	2022		\$9,100,000.00	Other Expenses
2022	11000	MHA53000	12207	2022		\$5,700,000.00	Professional Services
2022	11000	MHA53000	16003	2022		\$1,900,000.00	Grants For Substance Abuse Services
TOTALS					\$16,700,000.00	\$16,700,000.00	
REASON FOR ADJUSTMENT							
To FAC funds from the Personal Services, Home and Community Bases Services and General Assistance Managed Care accounts to the Other Expenses, Professional Services and Grants for Substance Abuse Services accounts to cover shortfalls in the fourth quarter.							
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED
Cheryl Arora				Chief Fiscal Officer			3/21/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)		

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		Judith Dowd 3/28/22			
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-05	Paul E. Potamianos	3/28/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

PROPOSED ITEMS FOR APPROVAL
 BY THE FINANCE ADVISORY COMMITTEE (FAC)
 April 7, 2022

The Department of Mental Health and Addiction Services (DMHAS) requests approval of transfers totaling \$16.7 million to cover projected shortfalls in the following accounts:

- \$9,100,000 in the Other Expense account (SID 10020)
- \$5,700,000 in the Professional Services account (SID 12207)
- \$1,900,000 in Grants for Substance Abuse Services (SID 16003)

The \$9.1 million shortfall in the Other Expenses account (SID 10020) is primarily due to increasing facility maintenance costs, increases in our food procurement contracts, cleaning services and compliance with *AAC Policy Accountability* to purchase body cameras for the DMHAS police force. Additional contributing factors to the shortfall are due to new Cannabis Media Campaign and the Medicaid 1115 Waiver for Substance Use Disorders (SUD) that were not previously budgeted for but can be financed with this FAC.

The \$5.7 million shortfall in the Professional Services account (SID 12207) is attributed to increased use of contracted medical services including contracted psychiatrists and nurses as we continue to face recruitment challenges. Increased utilization and costs for interpreter services are also contributing to this shortfall.

The \$1.9 million projected shortfall in the Grants for Substance Abuse Services account (SID 16003) reflects the anticipated additional costs related to the implementation of the SUD Initiative. Additional grants to nonprofit providers support their efforts to meet requirements of the American Society of Addiction Medicine and allow unentitled members with opioid disorders to have access to the full continuum of care.

The projected surplus of \$12.5 million in the Personal Services account (SID 10010) is primarily due to delays in filling vacant positions.

A projected surplus of \$1.7 million in the General Assistance Managed Care account (SID 12220) is due to lower Behavioral Health Recovery Program costs related to the implementation of the SUD Initiative. Currently, the Husky D SUD residential programs are fully state funded from this account. DMHAS is anticipating a May 1st start date for these services to be reimbursed under Medicaid, therefore funded out of the Medicaid account at the Department of Social Services.

A projected surplus of \$2.5 million in the Home and Community Based Services account (SID 12444) is the result of fewer than budgeted referrals and placements due to the pandemic.

Summary of Transfer:

SID Description	SID	Amount
Transfer Funds From:		
Personal Services	10010	(\$12,500,000)
General Assistance Managed Care	12220	(\$1,700,000)
Home & Community Based Services	12444	(\$2,500,000)
Subtotal		(\$16,700,000)
To Address Shortfalls In:		
Other Expenses	10020	\$9,100,000
Professional Services	12207	\$5,700,000
Grants for Substance Abuse Services	16003	\$1,900,000
Subtotal		\$16,700,000
Total		\$0

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER
57000		Department of Transportation					19428
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	12001	DOT57000	10010		\$9,213,739.00		Personal Services
2022	12001	DOT57000	10020			\$8,541,000.00	Other Expenses
2022	12001	DOT57000	10050			\$672,739.00	Equipment
TOTALS					\$9,213,739.00	\$9,213,739.00	
REASON FOR ADJUSTMENT							
To transfer funding between appropriations to meet agency needs, per attached justification.							
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED
Robert Card				Bureau Chief of Finance and Administration			3/21/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)		
n/a					Sec 4-87		

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		JMJaramillo - 3/24/22		Daskal 03/25/2022	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-06	Paul E. Potamianos	3/28/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Finance Advisory Committee Meeting
April 7, 2022
DOT 19428

The Department of Transportation (Department) requests the transfer of funds between its appropriations as detailed below.

Transfer from:

<u>FUND - SID</u>	<u>Appropriation Title</u>	<u>Transfer Amount</u>
12001-10010	Personal Services	\$ (9,213,739)
	Total	\$ (9,213,739)

Transfers to:

12001-10020	Other Expenses	\$ 8,541,000
12001-10050	Equipment	<u>\$ 672,739</u>
	Total	\$ 9,213,739

Funds are available in the **Personal Services** appropriation due to budget savings from delays in the refill of vacant positions.

The transfer to **Other Expenses** is required to cover a projected shortfall. The majority of expenditures in this account (about 94%) are non-discretionary. While we continually monitor and restrict purchases to only the most essential, an overall deficit in this appropriation has become unavoidable due to higher-than-budgeted expenses projected in several line items including Highway/Electrical Supplies; Fleet/Equipment Repair; Motor Vehicle Fuel, IT expenses, and Premises cleaning services and supplies.

Other Expenses - shortfall projection details	
as of 2/28/2022	
amount	Description
(\$371,366)	IT Consultant Services, IT Hardware maintenance and support, and IT licenses
(\$4,364,683)	Highway/Electrical commodities
(\$1,958,081)	DOT Fleet/Equipment Repair
(\$135,207)	Premises cleaning/supplies <i>(COVID response exp + PO's to date)</i>
(\$1,711,662)	MV Fuel <i>(assumes price per gallon stays same as March 10)</i>
\$ (8,541,000)	Total projected OE shortfall

The transfer of \$672,739 to the **Equipment** account is needed to fund the purchase of critical information technology equipment for 206 additional staff being hired to support the impending capital program growth of the agency due to passage of federal Infrastructure Investment and Jobs Act (IIJA).

The Department's annual Equipment appropriation of \$1.3 million provides funding not only for Department-wide technology purchases, but also for other items essential to Department operations including: lab equipment for Materials Testing; Survey and Photolog vehicles and equipment; and also pickup trucks and other equipment for Materials Management, Facilities Services, Traffic Monitoring, Roadway Inventory, Environmental Planning, and Bridge Safety. Annual purchases are prioritized within available funding.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
SDE64000		Department of Education					2022-09	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	SDE64000	12519		\$3,500,000.00		Reg. Voc. Tech. School System	
2022	11000	SDE64000	12602			\$3,500,000.00	Tech. High School Other Exp.	
TOTALS					\$3,500,000.00	\$3,500,000.00		

REASON FOR ADJUSTMENT

The Department of Education, on behalf of the CT Technical Education and Career System requests a transfer of \$3,500,000 from the Reg. Voc. Tech. School System Account to the Tech. High School Other Expenses Account. These funds will help cover a \$2.5 million increase in utility costs over FY 2022, additional operational costs at the school level including support for afterschool activities and increased contractual costs. This \$3,500,000 transfer is requested from funds that are available due to delays in hiring.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Kathy Demsey	Chief Financial Officer	3/25/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-07	Paul E. Potamianos			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Memorandum

To: Paul Potamianos, Deputy Secretary
Greg Messner, Assistant Executive Budget Officer
Holly Williams, Fiscal and Program Policy Section Director

From: Peter Hopko, Budget Analyst

Date: March 28, 2022

Re: State Department of Education – Finance Advisory Committee Action Request for April 2021

Request:

CTECs through SDE is requesting to transfer \$3,500,000 from the Regional Vocational Technical School Account to the Technical High School Other Expenses Account.

Background:

CTECs is projecting a deficiency of approximately \$3.5 million in their Other Expenses Account due to increased cost of utilities and other increased contractual costs.

The funding necessary to cover the deficiency is available through a combination of approximately \$2.3 million in lapsing funds due to delays in hiring in the CTECs system, and approximately \$1.9 million in funds that are currently being held-back in the Regional Vocational Technical School Account. CTECs is requesting \$1.5 million of the holdback be released, and to transfer these funds along with \$2 million in lapsing funds to the CTEC's other expenses account, for a total transfer of \$3.5 million.

Recommendation: Approve with Modifications

This transfer can be made without causing the Regional Vocational Technical Account to be deficient, although CTECs could require a RSA transfer to meet FY 2022 costs of recent collective bargaining agreements. Failure to make this transfer will prevent CTECs from covering current utility invoices and could disrupt daily operations at CTECs. Recommend approving.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
JUD95000		JUDICIAL BRANCH					2022-1	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>		
2022	11000	JUD95000	10010	2022	\$500,000.00		Personal Services	
2022	11000	JUD95000	10020	2022		\$500,000.00	Other Expenses	
TOTALS					\$500,000.00	\$500,000.00		

REASON FOR ADJUSTMENT

Please see attached addendum to B-107 Request 2022-1 to move 500,000.00 in carryforward funding from Personal Services to Other Expenses to hire IT consultants for the purpose of upgrading agency software to accommodate automatic erasure for certain crimes in accordance with Section 308 of PA 21-2 JSS.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Mary Russell-McMahon	Deputy Director II	10/21/2021
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)		STATUTORY AUTHORITY (for adjustments in appropriations)
		Section 308 of PA21-2 JSS

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR	
		JMJaramillo - 11/2/21	C. LeMay 11/2/21	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-08	Paul E. Potamianos			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND